Australian Government

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

REGIONAL PROGRAMS BRANCH

Roundtable report

Early Engagement on the Growing Regions Program

March 2023

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Early engagement of stakeholders – roundtable discussions

Overview

The Regional Programs Branch, in collaboration with the Urban Policy, Precincts and Partnerships Branch, held stakeholder engagement roundtables on the Growing Regions and the regional Precincts and Partnerships programs on 15 and 16 March 2023.

Three separate roundtable discussions were held virtually with representatives from Regional Development Australia committees, Local Government Associations and identified peak bodies and First Nations organisations.

The objectives of the roundtables were to:

- Provide targeted stakeholders the opportunity to engage early and directly with the program design elements for both programs.
- Ensure the principles underpinning the proposed guidelines for the programs will achieve the program intent and outcomes.
- Seek feedback from stakeholders on the design principles for an effective, transparent and merit-based grants programs.
- Outline the similarities and differences between the two programs to illustrate the continuum of funding options available.

This report presents the feedback received from stakeholders on the Growing Regions Program.

The findings on the regional Precincts and Partnerships Program will be reported separately by the Urban Policy, Precincts and Partnerships Branch.

Early engagement

The roundtable discussions provided stakeholders with an overview of the design principles of the Growing Regions Program and an opportunity to provide feedback on a prepared set of questions.

Attendees at the virtual roundtables were as follows:

- 61 from the Regional Development Australia (RDA) committees
- 19 from Local Government Associations
- 4 from peak bodies

In addition, the power point presentation and Slido link was sent to all invited stakeholders.

Overall, participants were engaged and interested in the design of the programs, and expressed their appreciation for early engagement and consultation.

The following questions were provided to stakeholders prior to the roundtables via a Slido link included within the email invitations and/or in the follow-up emails which also included the presentations:

Growing Regions Program questions

1. What are the current priority needs of your communities?
    a. How can we reflect those in our program design?

      b.   What sort of evidence should we ask for?

2. Joint investment in projects ensures genuine collaboration and partnerships within the community.
    a.   What are your thoughts on co-funding requirements?
    b.   If there is a co-funding requirement, should there be exemptions?
    c.   If yes, for whom/what type of organisations?

3. How should we define a region in terms of determining locations for this program?
4. How can we make an application process less onerous while ensuring fairness and transparency?
5. Based on your knowledge or experience, how could application processes be improved?
6. What resources/services do applicants require to submit successful grant applications?
7. How can we support First Nations communities to bring forward proposals?
8. How can our requirement for evidence best align with the data or tools you already have?
9. What are the barriers to successful grant applications?
10. What are your views on an expression of interest process?
11. Do you think there should be a role for RDAs and what do you think it should look like?

Participants were provided with the opportunity to ask questions and provide feedback through a Questions and Answers (Q&A) session at the end of each roundtable discussion.

Responses

Overall there was a good response rate.

Summary of responses:

- 320 responses through Slido (which was open from 14-17 March)
- 12 responses through email inbox
- 27 responses given through the Q&A session of the roundtable discussions

Findings and recommendations

Early engagement with stakeholders on the design principles for the Growing Regions Program indicates strong support for the program. Furthermore, participants were passionate about being involved in the development process of a grants program intended to meet identified community infrastructure needs and improve livability in their regions. Stakeholders value the opportunity to provide feedback into the design process and are keen to comment on the draft guidelines before they are finalised.

Definitions of regions are diverse

As expected, there was no singular agreement on how regions should be defined within the program.

The wide-ranging responses included defining regions based on various criteria such as: population numbers; accessibility and resources; RDA boundaries; Greater Capital City boundaries; non-metropolitan regions; the ABS Remoteness Structure; and both including or excluding peri-urban areas.

There were comments and discussions on the merits of differentiating larger regional cities from smaller rural townships as the need for funding varied significantly between these two types of areas.

Overall, there was agreement on the idea that regardless of which definition will be used – it needs to be clear and unambiguous.

Recommendation 1:

The department recommends retaining the definition of regional as outside Greater Capital City Statistical Areas (GCCSAs) for the purpose of the Growing Regions Program.

GCCSAs reflect labour markets and the areas and populations who regularly socialise, shop or work within Capital Cities, including small towns surrounding the city. We have defined regions for the Growing Regions Program as all areas <u>outside</u> of GCCSAs as it provides greater clarity to applicants, allows for better data collation, and provides a generally agreed sense of what is considered 'regional', particularly where peri-urban inclusion becomes contentious.

The only sensitivity in using this criterion for the Growing Regions Program is the difference from the Building Better Regions Fund which included cities such as Hobart and Darwin. This can be overcome through the announcement of a new program which would cover all areas <u>inside</u> the GCCSAs.

Tiering of funding and/or co-funding exemptions could be used to support smaller and/or more disadvantaged communities.

Co-funding requirements are generally supported but should have flexibility and exemptions

Participants who commented on this requirement agreed with the principle of co-funding as it encourages joint investment and ownership within communities. Participants agreed co-funding requirements should generally apply to organisations in order to ensure partnership and shared risk.

However, it was noted smaller and/or more disadvantaged organisations should be able to access some type of co-funding exemption.

Flexibility and scales of co-funding were strongly supported, suggestions included:

- a sliding scale based on inner and outer regional, and remote and very remote
- economic position of the local government or local government area (LGA), including lower level of co-contribution for smaller, less-resourced LGAs
- reflective of financial capacity and rate base
- in-kind contributions to be considered as part of co-contributions
- applicants to demonstrate where they cannot provide co-funding to be considered for exemptions
- base level of co-contribution less than 50 per cent
- exemptions for First Nations communities and/or organisations
- exemptions for disaster impacted areas
- exemptions for small local governments, communities of high need and low economic participation

One respondent noted exemptions should be "*based on a fundamental understanding about the purpose of co-contributions – which to me is about local ownership and sustainability*."

Recommendation 2:

The department recommends the base level for co-funding remain at 50 per cent.

The department recommends co-funding exemptions for smaller, disadvantaged LGAs and organisations. We recommend the first option outlined below.

Option 1:

Co-funding requirements exemptions could be implemented on a tiered basis, where exemptions are made in two categories of up to 70 per cent and up to 90 per cent.

- Organisations and areas eligible for a co-funding exemption of up to 90 per cent could include:
    - First Nations Community Controlled Organisations
    - projects located in areas impacted by natural disaster in the past 12 months and
    - projects located in very remote locations (according to the ABS remoteness structure).
- Organisations and areas eligible for a co-funding exemption of up to 70 per cent could include:
    - small councils - based on a certain rate base and Financial Assistance Grants received and
    - projects located in remote locations (according to the ABS remoteness structure).

Option 2:

Alternatively, funding allocations could be considered in two tiers based on the Socio-Economic Indexes for Areas (SEIFA). The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) has five categories from most disadvantaged to most advantaged. The total funding allocation of $300 million for the first round could be allocated where:

- $200 million is allocated to the highest scoring applications, and
- $100 million is allocated to Statistical Area Level 1s located in the lowest two quintiles, providing projects have been rated meritorious and achieve a minimum score of 60% per assessment criterion.

The application experience could be improved with an expressions of interest process, but the impact on timing is important to applicants

Stakeholders expressed support for the expressions of interest (EOIs) process with the main benefits identified as being:

- a better way to manage applicant expectations
- a simpler process which reduces the initial burden of applications (noting an early decision allows applicants to avoid expending resources and time when projects are unlikely to be successful)
- an easier confirmation of eligibility process
- useful in potentially providing early feedback on projects (especially in the case when applicants may want to re-apply when their projects are more developed).

Some participants expressed significant concerns about the EOI process and impact on the timing provided for application/assessment processes; primarily how the process would impact the overall time frame between program opening and the announcement of successful projects.

Other comments about timeframes included the following:

- ensuring application opening periods did <u>not</u> happen over the December/January holiday period
- the difficulty in obtaining/confirming co-funding across all levels of government due to lack of alignment with budget cycles of the different governments
- drawn out assessment periods and their potential impact on original quotes, resulting in increased major project costs

- any additional role for Regional Development Australia committees also included caveats that any changes to their role should not extend application time frames.

Recommendation 3:

The department recommends the EOI process for this program with adequate timeframes for applicants be set out in the guidelines.

An EOI process has benefits to an open and competitive grants program, particularly where applications are expected to significantly exceed the funding pool available. Timing is a key factor for the program EOI process to work effectively. We recommend that, should an EOI process be implemented, adequate time frames are provided to ensure applicants have the maximum opportunity for success.

We note that an EOI process will impact time frames by approximately 18 weeks, and an option may be considered to run the first round of the Growing Regions Program without an EOI process if timing to announcements is an issue.

In consultation with the Grants Hub, an EOI with full application process would require the following timing from program opening:

EOI open for applications	4 weeks
Assessment of EOI applications	6 weeks (note: time frame may be extended depending on the panel process)
Decision approval and announcement	4 weeks
Notification to applicants	4 weeks
Full applications open	6 weeks
Full application assessment	6 weeks
Decision approval and announcement	4 weeks
Total time to successful project announcements	*34 weeks*
Contract development and grant agreements finalised	6 weeks

With the right resourcing, Regional Development Australia committees could play a role in application processes

When participants were asked whether there should be a role for Regional Development Australia and what this should look like, responses differed amongst the participants.

Responses from the Regional Development Australia committees overwhelmingly indicated strong support for their involvement in the program, including potential roles such as:

- supporting the community consultation process
- supporting the writing of grant applications
- advocating for applicants and projects
- undertaking a part in the EOI process and/or
- undertaking a part in the assessment process.

All participant groups acknowledged capacity, resourcing and engagement may differ across RDA committees, noting committees were time-poor and would be best placed to support applicants if they had adequate resourcing.

Feedback from the Local Government Association and peak bodies advocated for maintaining the current role of RDA committees which is restricted to supporting applicants prior to the submission of applications. They did not support a role for Regional Development Australia in assessment or approval processes.

Recommendation 4:

The department recommends the role of RDA committees remains as a supportive and consultative one for the application process for the program.

The department recommends further roles for RDA committees to be considered should additional resourcing for the committees be provided in the future.

We recommend further engagement with RDA committees to seek feedback on draft guidelines.

We acknowledge RDA committees are well placed to support questions from potential applicants when the program is opened.

We will work with a Grants Hub to scope the possibility of including an opt-in or opt-out option for applicants to share their details with local RDA committees to assist in development of regional plans and promote active engagement locally.

Advocacy for processes which support First Nations organisations and communities, as well as small and less resourced organisations

Stakeholders recognised the difficulties faced by small organisations and First Nations communities in obtaining grant funding. They further noted the ability of larger, well-resourced organisations and local governments to engage grant writers to submit applications.

This can lead to unintended outcomes in competitive grants, where organisations who utilise grant writers can put forward stronger applications, leaving smaller and less well-resourced organisations at a competitive disadvantage.

Across all three groups, participants agreed more support in preparing applications would assist First Nations organisations and communities. Participants suggested clear communication of program opportunities and assistance through already established channels such as the Indigenous Land and Sea Corporations and networks like the National Aboriginal Community Controlled Health Organisation.

Recommendation 5:

The department recommends the co-funding exemptions noted above as a way of assisting disadvantaged communities including First Nations organisations.

The Growing Regions Program's engagement and communications strategy with First Nations organisations will be strengthened to ensure targeted communication of the program opportunity is delivered through established First Nations channels.

While it may not be possible in the first round of the Growing Regions Program, further consideration could be made toward resourcing Regional Development Australia to assist organisations and small councils with their grant applications.

The EOI process should allow unsuccessful applicants to receive feedback and direct applicants to local resources to assist with development of future grant applications.

Support for applications to link proposals with regional and local plans

Stakeholders strongly supported linking proposed projects with existing regional and local plans.

Participant responses stated this type of linkage would ensure projects were assessed on their unique priorities and the value they would bring to their specific region and/or community.

When exploring barriers to successful grant applications, respondents noted small organisations were held back by the lack of funding for feasibility studies.

Recommendation 6

The department recommends that the EOI and full application assessment criteria in the guidelines remain as is – as it includes the requirement for applicants to outline how the proposed project aligns with a community and/or regional plan.

While we do not anticipate funding for feasibility studies will be made available through the Growing Regions Program, we note this is a consideration for the regional Precincts and Partnerships Program.